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Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA

## PRESENTATION ON

# THE SUPPORT PROGRAMME FOR INDUSTRIAL INNOVATION (SPII)



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# Support Programme for Industrial Innovation

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an initiative of **the dti**



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## BACKGROUND

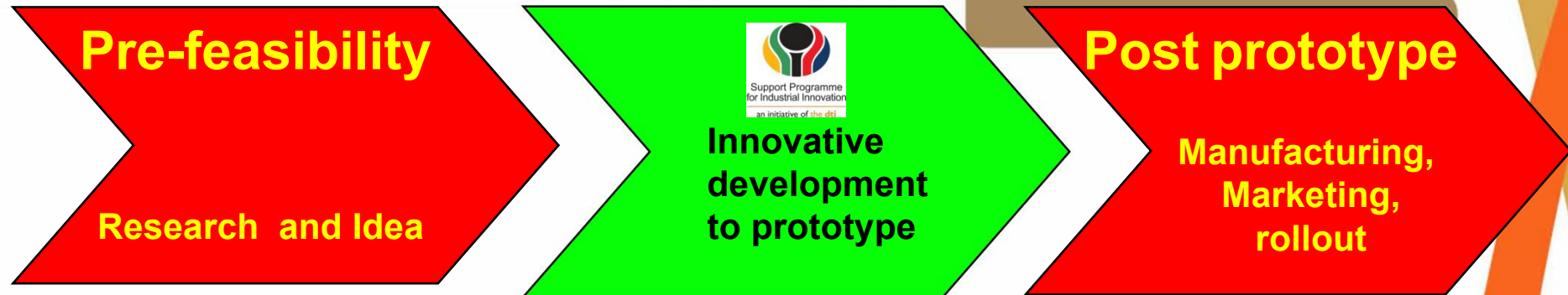
- **Promote development of technologically innovative products/processes that are commercially viable & internationally competitive**
- **Focuses specifically on the development phase that begins at the conclusion of basic research and ends at the point when a pre-production prototype has been produced.**
- **Previously administered by the Industrial Development Corporation (IDC), the programme has been integrated to the dti.**



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## SCOPE



- Do not support
  - Basic research
  - Commercialization
  - Marketing
- Support pre-competitive development !!!!



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## **CRITERIA**

- **Technical Innovation**
- **Economic Merit**
- **Managerial Capabilities**
  - **Project Management**
  - **Technical capability and capacity**
- **Financial Ability**
  - **Own contribution**



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## **INNOVATION**

**Innovation refers to new and unique products or processes that may be incremental, novel or radical. For a product to be considered innovative, the following will be considered:**

- **Functionally unique and advanced**
- **Efficient**
- **Low cost**
- **If process driven, it should be a substantial improvement of the original process**
- **Predominantly be the result of technical development as opposed to research or studies and should emphasise technical innovation**



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## REQUIREMENTS

- **Development should represent significant advance in technology**
- **Development and subsequent production must take place within South Africa.**
- **IP to reside in South African registered company**
- **Available to all South African registered enterprises**
- **Government funded institutions (e.g. CSIR) do not directly qualify for support, *but can act as subcontractors***
- **No simultaneous applications from the same company**





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## **SPII SCHEMES**

- **Product Process Development Scheme**
- **Matching Scheme**
- **Partnership Scheme (not open for applications)**



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## PRODUCT PROCESS DEVELOPMENT SCHEME (PPD)

- **Promote development of new products and/or processes.**
- **Non-repayable grant of 50-85% on qualifying costs incurred during development**
  - ✓ **<25% black ownership (50% grant)**
  - ✓ **25-50% black ownership (75% grant)**
  - ✓ **>50% Ownership by Women or People with disabilities (75% grant)**
  - ✓ **>50% black ownership (85% grant)**
- **Maximum of R2 million per project.**



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## **MATCHING SCHEME**

- Provides a non-repayable grant of **50-75%** on qualifying cost incurred during development.
- **50%** of qualifying costs **<25% BEE**
- **65%** of qualifying costs **> 25% BEE** or **> 50 %** Ownership by Women or People with disabilities.
- **75%** of qualifying costs **>50% BEE** ownership
- Payments are made against predetermined milestones.
- Maximum grant amounts to **R5 million** per project.



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## **CATEGORIES SUPPORTED**

- **COSTS ON:**
  - **Direct labour**
  - **Direct material**
  - **Direct Sub-contracting**
  - **Specially Approved Items**
    - **Capital Equipment**
  - **Patent lodgement fees**



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